

1. Delivery and Payment;

Payment is to be made upon receipt of goods. For orders above the value of US\$ 2.500, 20 % deposit must be made after order confirmation and 7 days before delivery.

For orders above the value of US\$ 15.000, 100% of invoice amount must be backed by a contract of guarantee (letter of credit) issued by the buyers' banks or 50 % deposit has to be paid 6 weeks before delivery after purchase confirmation.

The outstanding amount is to be paid on delivery without any deduction. Delivery must not incur any encumbrance and unloading is to be effected by the buyer. If unloading costs are agreed to be included in the price unloading will take place adjacent to the delivery vehicle. Immediate delivery will be made for goods that are ex-stock. If the buyer agrees upon order of goods not ex-stock the buyer still remains bound to the order.

The seller cannot be held liable for any delivery default caused by the manufacturer. The buyer must accept the complete delivery as defined in the purchase order. The prices underlie USD currency and transport costs fluctuations will be adjusted only if necessary. The seller will make best effort to effect agreed delivery dates. In case the seller is hindered to deliver by unforeseen circumstances such as disturbance in the company, acts of authorities, delays by the producer, problems in energy supplies or Act of God, strike, lockout of workers, military action, war, blockades, imp- and export restrictions, traffic deviations, waiting times at production site, delay of shipment or machinery damages the delivery is delayed if not possible to a reasonable extend. If caused by a.m. circumstances delivery turns out to be impossible the seller is released from delivery.

In the a.m. circumstances the seller cannot be held liable for any form of compensation.

And the buyer cannot withdraw his order.

2. Transfer of risk;

When the forwarder delivers the goods to the place of destination or when the buyer takes over the goods at the warehouse of the seller the risk is transferred to the buyer.

3. Claim of property;

The goods remain property of the seller until the full amount of the invoice is paid. When payment is delayed the seller has the right to reclaim the goods after due notice. Partial payment of a current invoice does not cancel this claim of property. In the case of incomplete or non-payment the seller has the right to charge 25 % of invoice value for re-stocking and full transport costs from and to warehouse.

The buyer may only sell the goods in the regular business market. He is not allowed to offer them as collateral, security or on consignment unless the goods are fully paid for. In the event of bankruptcy or seizure of goods the seller has to be informed without delay. In case of bankruptcy when the buyer sells goods that have not fully been paid for the herewith-acquired liabilities are transferred directly to the seller. If any evidence exists of possible non-payments the seller has the right to cancel all pending orders and subsequently claim advance payment for all outstanding orders. When the goods are installed, combined, mixed or joined with other goods not belonging to the seller the seller is partial owner of the newly produced product to the invoice value of the goods sold. When the buyer becomes sole proprietor

of the new product it is agreed that the seller recognizes proprietorship in relation to the invoiced value of the installed, combined, mixed or joined product. The buyer holds this new product at no costs to the seller. When the buyer sells the goods at once without or after installation, combining, mixing or joining, the a.m. agreement is valid only amounting to invoice value of the goods that are sold together with other goods.

4. Reclamation;

When the goods delivered are inferior or do not conform to the agreed characteristics or are missing or have deteriorated within the legal guaranteed period of time compensation will be effected after the investigation by the seller only by means of a replacement delivery. Claims for compensation need to be clarified with the seller. The buyer has to inform the seller in written form about inferior quality, damage, wrong amounts or wrong delivery within 5 days of delivery (§ 377, 378 HGB) in any case before installation or combining etc. When the buyer is not a merchant (ref. HGB) inferior quality, wrong quantities or wrong deliveries have to be claimed in written form within 10 days of delivery and before installation etc. Transport damage has to be reported to the seller in written form immediately. In the case of delivery by train, vehicles, commercial transport or other transport means the buyer has to fulfil all necessary requirements. Rejection of the goods is only possible as long as the goods are still on the transport vehicle.

5. Characteristics of Bamboo

It is understood by the buyer and his installation contractor that bamboo is a natural material. Its characteristics include natural variations.

6. Liability

Compensation for impossibility of delivery, delay, breach of liability, mistakes on conclusion of contract and illegal transactions are not permissible unless intentional or gross reflectance of the seller or his employees can be proven. Exclusion of compensation is also valid in favour of the employees or partners of the seller. Even when gross reflectance the seller is liable only as far as the damage does not exceed the generated reasonable costs as well as the true loss and profit that has been known to both sides or should have been known and should have been anticipated as possible consequence of breach of contract under consideration of circumstances when the contract was made.

7. Validity

If one of a.m. conditions should become partially or totally invalid the validity of the others is in no way affected. An invalid condition is to be replaced by a means of extended contract interpretation and adjusted to an interpretation that most closely follows the intended economic purpose. All agreements and offers underlie the conditions of the seller whose deliveries are only to be affected under these conditions. They are accepted by the buyer and the installer upon placing an order or upon acceptance of delivery and are legally binding. Deviating conditions of the buyer that are not expressed accepted by the seller in written form are not binding for the seller. Any litigation will be dealt with in Munich courts. German law is applicable.